



**THE OFFICE OF  
STATE TREASURER  
DENISE L. NAPPIER**

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**NEWS**

**FOR IMMEDIATE RELEASE**  
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**Connecticut Treasurer Strikes Agreement with CVS Caremark on Say on Pay**  
*Company Will Hold Annual Advisory Vote on Executive Compensation in 2011*

HARTFORD – Connecticut State Treasurer Denise L. Nappier, principal fiduciary of the \$23 billion Connecticut Retirement Plans and Trust Funds (CRPTF), announced today a settlement with CVS Caremark Corporation that would give shareholders a voice on executive compensation practices at the company.

Nappier, a leading advocate for responsible executive compensation policies and practices that create incentives for superior performance, applauded CVS Caremark for agreeing to grant shareholders the right to cast an advisory vote on compensation paid to top executives – also known as “Say on Pay” – at its 2011 annual shareholder meeting. Nappier called the company’s decision a victory for shareholders who have long advocated for greater accountability in the way executive compensation packages are designed.

“The public is outraged by oversized paychecks that reward poor performance, and rightfully so,” Nappier said. “As American families and small businesses cope with widespread job losses, massive pay cuts and limited access to credit, they are sick and tired of watching boards give underperforming executives a blank check and a pat on the back. By granting shareholders the right to provide input on its pay practices, CVS Caremark has demonstrated that it has nothing to hide in the manner it compensates its executives. More companies should do the same.”

Support for Say on Pay has continued to grow since the measure was first introduced in 2006. Over 70 proposals went to a vote last year, earning an average of 46 percent shareholder support including a majority of the vote at 24 companies. Approximately 50 companies, including CVS Caremark, have voluntarily agreed to hold Say on Pay votes in 2010 and/or 2011.

Nappier has been a strong supporter of annual advisory votes on executive compensation, and the CRPTF has engaged many companies on the governance reform measure over the past several years. The CRPTF won majority support for three out of six proposals it filed in 2009 on Say on Pay at CVS Caremark (59 percent), Sun Microsystems (67 percent), and Tupperware Brands (63 percent). Of the thirteen shareholder proposals

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filed by the CRPTF on executive compensation for the 2010 proxy season, four proposals asked for Say on Pay. Three of the four – filed at CVS Caremark, Goldman Sachs and ConocoPhillips – have since been withdrawn after those companies agreed to hold Say on Pay votes within the next two years. A fourth proposal filed at WellPoint has not been settled, and the resolution is expected to go to a vote at the company’s 2010 annual meeting.

“Institutional investors look to the board of directors to represent their interests,” Nappier said. “Shareholders have long advocated for Say on Pay to signal to the board whether the company has appropriately incentivized executives to perform, not to fail. CVS Caremark has affirmed its commitment to shareholders by supporting this important corporate governance reform.”

CVS Caremark provides retail pharmacy, retail-based health care and pharmacy benefit management services throughout the United States. The Connecticut state pension fund currently owns 446,058 shares of this company valued at \$15,264,105 on behalf of 160,000 active plan participants and retirees. In addition, the State of Connecticut has contracted with CVS Caremark to administer its prescription benefit program for all of the health care insurance options offered to state employees, now covering approximately 220,000 current and retired state employees and their families.

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